



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 26, 2011

H.R. 461 **South Utah Valley Electric Conveyance Act**

*As ordered reported by the House Committee on Natural Resources
on July 20, 2011*

H.R. 461 would direct the Secretary of the Interior, acting through the Bureau of Reclamation, to transfer the title of the electric distribution system located in Spanish Fork, Utah, to the South Utah Valley Electric Service District. Based on information from the Bureau of Reclamation, CBO estimates that enacting the bill would have no significant net impact on the federal budget. Enacting H.R. 461 would have an insignificant impact on direct spending; therefore, pay-as-you-go procedures apply. The legislation would not affect revenues.

The electric distribution system was developed as part of the Strawberry Valley Project in the 1920s. The Strawberry Water Users Association (SWUA), the nonfederal sponsor of the project, satisfied all federal repayment obligations associated with the project in 1974. In 1986, the SWUA spun off the South Utah Valley Electric Service District and the Bureau of Reclamation transferred financial responsibility for the operation and maintenance of the electric distribution system to the district. Under current law, the Bureau of Reclamation oversees those operation and maintenance activities.

Under the bill, transfer of the title of the electric distribution system to the district would include all federally owned fixtures and the underlying federal land not shared by other facilities. In instances where the underlying federal land is also occupied by other facilities and in the case of shared power poles, permanent access and licensing privileges would be granted to the district to perform the required maintenance.

Under H.R. 461, the Bureau of Reclamation would discontinue oversight of the facilities. In addition, the Bureau of Reclamation would no longer collect licensing fees from utilities seeking easements to cross those federal lands. Based on information from the Bureau of Reclamation, CBO estimates that the loss of those collections would have no significant net impact on the federal budget.

H.R. 461 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.